

Petition aims to raise casino tax rate

By Bill O'Driscoll, Reno Gazette-Journal

A petition drive to raise taxes on Nevada's biggest casinos has met swift resistance from the gaming lobby through a lawsuit filed in Carson District Court.

Advocates of the plan want to see the top rate in the multi-tiered tax on gross gaming revenue be raised from 6.75 percent to 9 percent. Rates in other states range from 8 percent in New Jersey and Mississippi to 50 percent in Illinois.



The gaming lobby is fighting a petition to raise the tax rate on Nevada's casinos.

But observers say if enacted, the outcome, amid recession that helped Nevada's casinos amass a record \$4 billion loss in fiscal 2011, could be far from bountiful for the state's sparse coffers.

In the past decade, the number of slot machines statewide has gone from 217,000 to 187,000, said David Schwartz, director of

the Center for Gaming Research at the University of Nevada, Las Vegas.

“I don’t know why you’d want to hitch your wagon to a horse when that horse is shrinking,” he said. “We’re already seeing casinos default. Even if you raise the tax 100 percent, Nevada’s footprint is still shrinking. Adding more to the tax burden isn’t going to help them.”

If enough signatures are gathered by November, the initiative, launched last month by the Las Vegas-based group Nevadans For a Fair 9 percent Gambling Revenue Tax, would go before the 2013 Legislature. If lawmakers reject it or fail to act, the issue would go before voters in 2014.

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